



Irish Life Weekly Investment Bulletin

The week that was – WEEK 24 2018 (ending 15/06/2018)

“Indeed, there is an eloquence in true enthusiasm that is not to be doubted.” – Edgar Allan Poe

Irish residential property prices rose by 13.0% y-o-y in April – Latest figures from the Central Statistics Office show that national level residential property prices increased by 13% year-on-year in April, with Dublin prices up by 12.5%, the Rest of Ireland by 13.6% and with Mid-West region houses the highest at 18.7%.

Irish exports increase 7% y-o-y in April as trade surplus rises 10% – Preliminary figures from the CSO show seasonally adjusted goods exports increased by 7% since April 2017 whereas imports only rose by 5% so leading to a 10% trade surplus increase. Medical/Pharmaceutical products showed a 31% yearly rise.

Global stock market up 0.2% on the week – The MSCI AC World TR Index showed a 0.16% return from 8th June to 15th June, as the U.S. Federal Reserve raised interest rate by 0.25% as expected and issued an upbeat economic outlook. The Volatility Index (Vix) closed the week slightly lower at 11.98, down from 12.18.

ECB to end QE bond-buying program at end of 2018 – The European Central Bank announced that it will reduce monthly asset purchases from €30 billion a month to €15 billion starting in October and then to zero at the end of 2018. However it said it would keep interest rates unchanged “until at least through summer 2019”.

New Italian Finance Minister reiterates commitment to euro – Italy’s new Finance Minister, Giovanni Tria, reiterated the Premier’s view that Italy had no intention of leaving the euro - or increase debt levels: “.... our goal is (to lift) growth and employment. But we do not plan on reviving growth through deficit spending”.

More Brexit chaos in Conservative Party – Anti-Brexit Tories look like refusing to accept a compromise to give MPs a supposedly meaningful vote on the final Brexit package negotiated by Theresa May's government with the EU after discovering that it didn't give them the chance of blocking the final deal if it was required.

The Story of the week: A man from Matsudo in Japan, whose family thought he was dead after wrongly identifying another man’s body as him, has turned up alive a year later. His wife mistakenly told police the body of a man found in a river was him and officers even handed the body over to her. It turned out the body was actually that of a missing Tokyo man in his 30s whereas the husband was in his 40s. Police were able to positively identify the remains using fingerprint technology and are now set to hand them over to the correct family. Officers have apologised for the error.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 15/06)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	3.3
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	2.3
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.1
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	2.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	4.9
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	12.2
Nikkei 225	56.7	7.1	9.1	0.4	19.1	0.4
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-0.5
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.3
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.3
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	2.6
Greece	8.2	9.6	7.9	7.1	4.1	4.4
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.16
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.87
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.33
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	2.8% (To end of Q1)
U.K.	10.7	17.8	13.1	3.6	10.3%	1.9% (To end of Q1)
U.S.	11.4	11.2	12.1	7.8	7.1%	2.2% (To end of Q1)

*Past performance is not a reliable guide to future performance